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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/936,882	02/21/2002	Ken Kutaragi	450126-04025	2953

7590 09/30/2008  
William S. Frommer  
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New York, NY 10151

EXAMINER
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POND, ROBERT M

ART UNIT	PAPER NUMBER
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3625

MAIL DATE	DELIVERY MODE
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09/30/2008

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/936,882	<b>Applicant(s)</b> KUTARAGI ET AL.	
	<b>Examiner</b> Robert M. Pond	<b>Art Unit</b> 3625	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on IDS (2/20/08); Appeal Brief (9/29/06).
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☐ Claim(s) 1-52 is/are pending in the application.  
     4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-52 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
     a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                       | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>2/20/08;10/29/04;9/15/01</u> .                                | 6) <input type="checkbox"/> Other: _____                          |

### **DETAILED ACTION**

Applicant's request for reconsideration of the finality of the rejection of the last Office action is persuasive and, therefore, the finality of that action is withdrawn.

Applicant's arguments, see Appeal Brief, filed 15 August 2006, with respect to the rejection(s) of claim(s) 1-52 have been fully considered and are persuasive.

Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of Yoshioka.

Appellants' arguments relying upon Freeny as the primary reference are rendered moot.

The Examiner is suggesting Applicants consider a telephone interview for further discussion.

In view of the Appeal Brief filed on 15 August 2006, PROSECUTION IS HEREBY REOPENED.

To avoid abandonment of the application, appellant must exercise one of the following two options:

(1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,

(2) initiate a new appeal by filing a notice of appeal under 37 CFR 41.31 followed by an appeal brief under 37 CFR 41.37. The previously paid notice of appeal fee and appeal brief fee can be applied to the new appeal. If, however, the appeal fees set forth

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in 37 CFR 41.20 have been increased since they were previously paid, then appellant must pay the difference between the increased fees and the amount previously paid.

A Supervisory Patent Examiner (SPE) has approved of reopening prosecution by signing below:

/Jeffrey A. Smith/

Supervisory Patent Examiner, Art Unit 3625

***Claim Rejections - 35 USC § 103***

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

**Claims 1-52 are rejected under 35 USC 102(b) as being anticipated by Yoshioka (US 5,884,280, IDS 15 September 2001).**

Yoshioka teaches a system and methods of distributing proceeds from content (e.g. video/film, musical works, computer program, database) purchased by users of the service. A CD-ROM publisher (i.e. manufacturer) receives an entrustment for publishing the CD-ROMs from the SD Center and mass-produces (note: creating manufactured articles containing purchasable content) the original CD-ROM transferred from the SD Center. The CD-ROM publisher sells the copied CD-ROMs to the user (i.e. acting as a manufacturer and sales

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agent) or sends the CD-ROMs to the users as registered memberships of the network service company free of charge (i.e. acting as manufacturer for the network service company). See at least col. 6, lines 56-62; col. 9, lines 43-57; col. 13, lines 1-11. Once the CD-ROM is received, the user makes a purchase of one or more contents contained on the CD-ROM. Note: stocked article shipped to the user does not have added value cost (e.g. license fees, royalties and/or distribution fees) given such added value costs are determined and charged after the user makes a purchase selection. See at least col. 13, line 12-col. 15, lines 44. The operator of the distribution system may be an enterpriser or entrepreneur acting as a product distributor for content providers (e.g. performer, author, creator) or other rightful claimants (e.g. copyright owners). See at least abstract; Fig. 2 (21, 22, 23, 24, 27, 28, 31); col. 1-col. 4. Yoshioka further teaches:

- Regarding claim 34. receiving payment corresponding to a selling price for the article, the payment being received by a distributor of the article from a buyer of the article; distributor receives payment from the consumer. See at least col. 5, lines 28-42; col. 13, lines 11-50.
- Regarding claim 34. wherein the article has been manufactured prior to receipt of payment; CD-ROM containing content is mass produced by a contracted publisher by the content distribution center (note interpretation: not on demand by consumer purchase but based on completing the content). See at least col. 5, lines 19-27; col. 6, lines 55-62; col. 9, lines 43-57; col. 13, lines 1-11.

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- Regarding claim 34. determining a royalty due to a licensor of the article, based on the selling price of the article; distribution center determines article sales price. See at least col. 5, lines 36-42. distributing shares. See at least Tables 1-4; col. 7, line 34-col. 9, line 22; col. 10, line 18-col. 11, line 8.
- Regarding claim 34. transmitting, from the distributor to a manufacturer of the article, portions of the selling price payment corresponding to a royalty and a licensee margin portion of the selling price, wherein the manufacturer is a licensee of the article; As noted above, the publisher may be a manufacturer for the network service company or may be a direct seller (i.e. licensee). In either situation, the publisher receives a payment. SD distributes proceeds. The specified distributees may include all of the content providers defined as copyright owners, copyrighters or publishing rightful parties of the contents. Further, the specified distributees may include copyrighters of original authored works of the contents as well as copyrighters of authored works utilized in the contents. Moreover, the specified distributes may include an author who transferred or assigned the copyright to the content provider by contract in exchange for receiving from the content provider a predetermined royalty for each copy of the content distributed. See at least col. 3, lines 29-39.
- Regarding claim 34. and transmitting, from the licensee to the licensor, payment corresponding to the royalty, upon a sale the article to the

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customer. distribution center determines article sales price. See at least col. 5, lines 36-42. distributing shares and paying content creators/copyright owners. See at least Fig. 10; Tables 1-4; col. 7, line 34-col. 9, line 22; col. 10, line 18-col. 11, line 8; col. 14, line 46-col. 15, line 44.

- Regarding claim 35. wherein the article is a computer program affixed to a computer readable medium, CD-ROM medium containing computer program. See at least col. 3, lines 14-18. and wherein the royalty is a format royalty. share/percentage royalty. See at least Table 3; col. 8, lines 59-66.
- Regarding claim 36. The method of claim 35 wherein the licensee is a publisher of the computer program and the licensor is an author of the computer program. publisher and/or distributor are licensees, licensor is the author. Yoshioka: see at least Fig. 2; col. 5, line 43-col. 6, line 21.
- Regarding claim 37. The method of claim 36 wherein the licensee is a publisher of the computer program and the licensor is a format holder associated with the medium upon which the computer program is affixed. Share/percentage royalty goes to licensor (e.g. author as copyright owner). Yoshioka: see at least Table 3; col. 8, line 59-66.
- Regarding claim 38. The method of claim 36 wherein the royalty portion is determined in relation to the cost price, the cost price comprising a manufacturing cost of the article, the format royalty and the licensee

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margin. manufacturing cost of the article. See at least col. 1, lines 11-16.

the format royalty share percentage to licensor as previously noted, and

the licensee margin. rate of money going to the operator. See at least col. 2, line 53-col. 4, line 24.

- Regarding claim 39. The method of claim 38 further comprising the steps of:
  - receiving an article manufacturing cost and a manufactured article quantity, wherein the selling price is determined in relation to the manufacturing cost and an added value including the format royalty; manufacturing cost of the article. manufacturing cost .See at least col. 1, lines 11-16. the format royalty share percentage to licensor as previously noted, and the licensee margin. rate of money going to the operator. See at least col. 2, line 53-col. 4, line 24.
  - accepting an order by the customer by receiving ordered article identification information and the manufactured article quantity; received order and quantity. See at least col. 13, lines 11-29.
  - Inherent in Yoshioka are the structures necessary to permit determining a stocked article quantity in relation to the manufactured article quantity and an ordered article quantity; For example, the publisher mass produces a quantity of CD-ROMs with entrusted content (note: establishes a manufactured article

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quantity). For the situation where the publisher sells directly to the user, the publisher manages manufactured articles which the publisher stocks for distribution to users based on the ordered article from the user.

- and determining a balance of stock in relation to the determined stocked article quantity and the manufacturing cost, wherein the balance of stock is not determined in relation to a consideration corresponding to the added value. As previously noted, manufactured/stocked article shipped to the user does not have added value cost (e.g. license fees/royalties/distribution fees) given such added value costs are determined and charged after the user makes a purchase selection. Balance of stock is not determined in relations to a consideration corresponding to the added value given there is no value added charge to the stocked article. See at least col. 6, lines 56-62; col. 9, lines 43-57; col. 13, lines 1-col. 15, lines 44.
- Regarding claims 1-33. Rejections are based on the disclosures as noted above. Sales management system, network system, server, user computer, User can be members of a network service company. Regarding claims 24, the preamble implies computer-readable medium but preamble should explicitly incorporate computer-readable medium into

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the preamble. Royalties/fees paid based on block of articles purchased by user.

- Regarding claims 40-52. Rejections are based on the disclosures as noted above. System means: means for communicating between computing resources.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Robert M. Pond whose telephone number is 571-272-6760. The examiner can normally be reached on 8:30AM-5:30PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Mr. Jeff Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service

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Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Robert M. Pond/  
Primary Examiner, Art Unit 3625  
September 24, 2008